

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2018-320-E**

In the Matter of:)	
)	
Joint Application of Duke Energy)	COMMENTS OF DUKE ENERGY
Carolinas, LLC and Duke Energy)	CAROLINAS, LLC AND DUKE
Progress, LLC to Establish Green)	ENERGY PROGRESS, LLC IN
Source Advantage Programs and)	SUPPORT OF GREEN SOURCE
Riders GSA)	ADVANTAGE VOLUNTARY
)	RENEWABLE ENERGY PROGRAM
)	AND RENEWED REQUEST FOR
)	PROGRAM APPROVAL

Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP” and, together with DEC, the “Companies” or “Duke”), by and through counsel, respectfully submit these Comments to the Public Service Commission of South Carolina (“the “Commission”) in support of the Companies’ Green Source Advantage Programs (“GSA Programs” or the “Programs”), as revised herein, and renew the Companies’ request for Commission approval of the GSA Programs. As further addressed in these Comments, Duke’s revised GSA Programs incorporate recent stakeholder input, are consistent with the voluntary renewable energy program requirements of Act 62 of the 2019 General Assembly (“Act 62”), and should be approved for participation as soon as practicable to allow interested customers to achieve the benefits of the GSA Program while ensuring that other non-participating customers are held harmless and not assigned any GSA Program costs. Additionally, the South Carolina Solar Business Alliance (“SCSBA”) supports these revised GSA Programs as a resolution of all outstanding between Duke and SCSBA in this proceeding.¹ The revisions to the GSA Program also resolve the most

¹ SCSBA will be filing its own comments in support of the GSA Programs in this docket.

significant issues in contention between the Southern Alliance for Clean Energy/Coastal Conservation League (“SACE/CCL”) and Duke, and SACE/CCL support moving forward with Commission approval of the revised GSA Program.

Through these Comments, the Companies provide the Commission background on the GSA Program proceeding, address proposed modifications to the GSA Programs recently agreed to by the Companies and SCSBA (as informed by stakeholder feedback), and recommend the Commission afford interested parties a period of 30 days from the filing of these Comments to present any final comments on the Companies’ GSA Programs before ruling on the GSA Programs, as presented herein. Thereafter, the Companies respectfully request the Commission issue an Order approving the GSA Programs on or before December 9, 2020.

The Companies have attached to these Comments the following exhibits which illustrate these revisions:

- Exhibit A: DEC Rider GSA (clean);
- Exhibit B: DEC Rider GSA (redlined to DEC Rider GSA filed on August 30, 2019 as Exhibit A to the Companies’ Comments);
- Exhibit C: DEP Rider GSA-2 (clean); and
- Exhibit D: DEP Rider GSA-2 (redlined to DEP Rider GSA-2 filed on August 30, 2019 as Exhibit C to the Companies’ Comments).

COMMENTS IN SUPPORT OF DUKE’S REVISED GSA PROGRAMS

I. Background on GSA Program Proceeding

The Companies filed their Joint Application for approval of the GSA Programs with the Commission over two years ago, on October 10, 2018, in the above-captioned docket. Since that time, the Commission has received multiple rounds of comments on the GSA Programs.

Intervenors the South Carolina Solar Business Alliance (“SCSBA”) and the South Carolina Coastal Conservation League (“CCL”) jointly with the Southern Alliance for Clean Energy (“SACE”) filed comments on January 7, 2019, and again on May 17, 2019, requesting changes to the Programs, almost all of which Duke agreed to make through previous filings. Duke filed Reply Comments and Supplemental Reply Comments on January 28, 2019, and March 28, 2019, respectively.

The Commission has also received comments from a number of prospective GSA Customers expressing interest in participating in the proposed GSA Programs.² Specifically, Intervenor Walmart, Inc. filed comments expressing its interest in participating in the program, while Clemson University, Furman University and First Quality Tissue each filed “Letters of Support,” signaling interest in participating in the GSA Programs.³ The City of Greenville also intervened in this docket describing its interest in the GSA Programs.⁴

The Companies initially filed their GSA Programs voluntarily, utilizing program designs that aligned with GSA programs being offered in North Carolina.⁵ However, the 2019 General Assembly’s enactment of Act 62 mandated that the Companies establish voluntary renewable energy programs consistent with the statutory requirements of S.C. Code Ann. § 58-41-30. In Order No. 2019-397, issued May 30, 2019, the Commission directed the Companies to address whether their GSA Programs met the new requirements of Act 62 and to inform the Commission

² Capitalized terms not defined in these Comments shall have the same meaning as these terms are used in the Rider GSA tariffs attached hereto as Exhibit A and Exhibit C.

³ See Letter of Support on behalf of *Executive Vice President for Academic Affairs and Provost and co-Chairs of the Clemson University Sustainability Commission*, Docket No. 2018-320-E (filed Nov. 26, 2018); Letter of Support on behalf of First Quality Tissue SE, Docket No. 2018-320-E (filed Nov. 19, 2018); Letter of Support on behalf of Furman University, Docket No. 2018-320-E (Oct. 29, 2018).

⁴ Petition to Intervene of the City of Greenville, Docket No. 2018-320-E (March 16, 2020).

⁵ See generally North Carolina Utilities Commission (“N.C.U.C.”) Docket Nos. E-2, Sub 1170, E-7, Sub 1169; *Order Modifying and Approving Green Source Advantage Program, Requiring Compliance Filing, and Allowing Comments*, N.C.U.C. Docket Nos. E-2, Sub 1170, E-7, Sub 1169 (Feb. 1, 2019).

of any proposed amendments to the Programs in response to Act 62's enactment such that the Commission could conduct an appropriate proceeding to review the GSA Programs. The Companies complied with this directive through comments and the filing of proposed GSA Program minor modifications and clarifications on August 30, 2019 to fully align the South Carolina GSA Programs with the new requirements of Act 62.

In response to the Companies' August 30, 2019 filing, the SCSBA filed comments on September 20, 2019, requesting the Commission establish a procedural schedule to allow interested parties to comment on whether Duke's proposed GSA Program modifications meet the requirements and policy objectives of Act 62. The Commission granted SCSBA's request in Order No. 2019-821, issued December 4, 2019. However, SCSBA subsequently requested that the Commission delay establishing a procedural schedule in order to allow Duke and SCSBA additional time to discuss potential modifications to the GSA Programs that would achieve consensus on remaining outstanding issues.

Throughout 2020, Duke and SCSBA have continued to work collaboratively, holding regular meetings with significant participation by both utility and solar industry representatives, to discuss potential modifications to the GSA Programs. Duke and SCSBA have updated the Commission on these continuing discussions via letters filed on January 31, 2020; March 13, 2020; April 17, 2020; June 30, 2020; and September 30, 2020. On July 30, 2020, the Companies and SCSBA also held a GSA stakeholder engagement meeting with over 65 invitees to receive feedback on various GSA program ideas developed by the Companies and by SCSBA. The Companies and SCSBA subsequently also met with various stakeholder groups (individually and collectively) to further discuss feedback from these stakeholders on the GSA Programs.

As addressed in the Companies' most recent September 30, 2020 update letter to the Commission, the Companies and SCSBA believe the modified GSA Program, as described herein, has resolved all issues in contention between them in this docket and these parties support Commission approval of the modified GSA Programs as soon as practicable in order to enable participation by prospective GSA Customers and Renewable Suppliers developing potential GSA Facilities.

II. Final GSA Program Modifications

As discussed in Part I of these Comments, the Companies have engaged with SCSBA and other interested stakeholders during 2020 to incorporate feedback and attempt to resolve all outstanding issues in contention in this docket, while ensuring the GSA Programs are fair to both participating and non-participating customers and consistent with the voluntary renewable energy program requirements of Act 62. The more significant modifications to the GSA Programs agreed to by Duke and SCSBA, as informed by stakeholders, are as follows:

Increased Maximum GSA Program Capacity: Act 62 does not mandate the size of utilities' voluntary renewable energy programs; instead, the General Assembly directed the Commission to "limit the total portion of each electrical utility's voluntary renewable energy program that is eligible for the program at a level consistent with the public interest..." S.C. Code Ann. § 58-41-30(C). Duke's initially-proposed GSA Program was limited to a proposed Maximum GSA Program Capacity of 150 MW between the Companies. After further discussions with stakeholders, Duke has agreed to increase the Maximum GSA Program Capacity to 200 MW.

For an initial nine month period, 150 MW of the Maximum GSA Program Capacity will be made available to eligible DEC customers and the remaining 50 MW will be made available to

eligible DEP customers.⁶ After this initial period ends, any remaining Maximum GSA Program Capacity will be made available to both DEC and DEP customers on a “first come, first served” basis. Customers may subscribe to the allotted capacity by submitting a completed GSA Program Application, and such applications will be processed on a “first come, first served” basis.

This 33% increase in program size will provide additional opportunities for participation in the GSA Programs by eligible GSA Customers. In addition, allowing Duke to open available capacity to its customers in either utility allows eligible customers a greater opportunity to participate in the Program if the initially allocated capacity is subscribed in one utility but not for the other.

Reserved Capacity for Local Governments and Universities: In response to stakeholder feedback, Duke is establishing special reservations of capacity for local government customers and university customers during the initial nine-month enrollment period. Local government customers eligible for the reserved capacity shall include any South Carolina municipality or county that is a customer of the Companies, while “university” customers eligible for the reserved capacity shall include any post-secondary two-year or four-year educational institution including public and private colleges and universities.

As noted previously, Clemson University and Furman University filed letters with the Commission in late 2018 expressing interest in participating in the Companies’ GSA Programs, as well as the City of Greenville through its Petition to Intervene earlier this year. The Companies believe these capacity reservations are reasonable for these customer classes, which may require additional time to file an Application, given the procurement processes and requirements generally applicable to such entities.

⁶ The megawatts allocated to each utility (150 MW DEC/50 MW DEP) are based on the load ratio split between DEC and DEP in South Carolina, which is generally 75% DEC/25% DEP.

Expanded GSA Program Availability: To be an “Eligible Customer” for the GSA Program under Act 62, a customer must either individually or in the aggregate have a minimum annual peak demand of 1,000 kW. *See* S.C. Code Ann. § 58-41-10(5). Earlier versions of the GSA Program excluded customer accounts taking service under outdoor lighting schedules from eligibility for the Program and contributing towards the required minimum 1,000 kW of annual peak demand. At the request of local government stakeholders, Duke has agreed to remove this prior proposed limitation.

Expanded Time Period for Finalizing GSA Service Agreement and GSA PPA: Duke also proposes to extend the timeframe for a GSA Customer that has applied to participate in the Program to execute a GSA Service Agreement and for the Renewable Supplier developing the GSA Facility to execute a GSA PPA from 30 days to 90 days from the date of delivery of the respective agreements by the Company. This extension of the timeframe is based on lessons the Companies have learned from implementing the GSA Program in North Carolina, where execution of those agreements within a 30-day period has proven to be challenging.

10-Year Administratively-Established Avoided Cost Bill Credit Option: The structure of the GSA Bill Credit and the allocation of risk and benefits of the GSA Programs among the Companies, non-participating customers, GSA Customers and Renewable Suppliers has been a topic of significant interest and comment in this proceeding. Duke’s initial Application proposed only an hourly marginal avoided cost bill credit option designed to ensure that the bill credit that the participating GSA Customer receives aligns with the real-time cost avoided by the Company as a result of the purchase of capacity and energy from the Renewable Supplier. This hourly marginal avoided cost bill credit is based upon Duke’s day-ahead real-time hourly rate and continues to be an option under the revised GSA Programs. Based upon comments filed by

SCSBA and SACE/CCL, Duke agreed through Supplemental Reply Comments filed March 28, 2019, to expand the bill credit options available to prospective GSA Customers to also include a bill credit based upon Duke's forecasted avoided capacity and energy costs over periods of two years or five years ("Administratively Established Avoided Cost Bill Credit"). Allowing a two-year or five-year administratively established fixed bill credit calculation is also consistent with the Companies' approved North Carolina GSA Program. SCSBA and SACE/CCL have consistently advocated for longer administratively established fixed bill credit terms of 10 years or longer, with SCSBA most recently advocating in its September 20, 2019 comments that a longer administratively-established bill credit term fixed for a 10-year period aligns with the duration of new fixed-price renewable energy contracts set at avoided cost rates under Act 62. *See* S.C. Code 58-41-20(F)(1). After further discussions with SCSBA and other stakeholders, Duke has agreed to allow GSA Customers the additional option of an administratively-established bill credit term fixed for a 10-year period. Duke has also updated the Rider GSA tariffs to make clear that i) the GSA PPA and GSA Service Agreement shall be of equal duration, consistent with S.C. Code 58-41-30(A)(2), and ii) where the GSA Customer selects the administratively-established bill credit option and requests a GSA Program Service Agreement term that extends beyond the available bill credit, then the Bill Credit will be re-calculated at the end of the initial Bill Credit term using the Commission's then-approved methodology.

In the event that the GSA Programs are not 75 percent subscribed 12 months after the program enrollment period opens, Duke agrees to re-address the various bill credit options, in consultation with SCSBA and interested stakeholders, to determine whether modifications are needed to increase customer participation.

Other Minor Modifications: The Companies have also made several ministerial changes to the GSA Tariffs to provide greater clarity and transparency. For example, the term Annual Peak Demand has now been defined and includes a new defined term, Aggregate Annual Peak Demand. Also, the term Negotiated Price has been more clearly defined, along with revisions to the definition of GSA Bill Credit for clarity. The Companies have not enumerated each of these changes in these Comments, as they are illustrated in Exhibits B and D.

III. Request for Approval of GSA Programs

As described previously, the revisions to the Duke GSA Programs resolve all previous issues in contention between SCSBA and Duke. The revisions to the GSA Program also resolve the most significant issues in contention between the Southern Alliance for Clean Energy/Coastal Conservation League (“SACE/CCL”) and Duke, and SACE/CCL support moving forward with Commission approval of the revised GSA Program. The Companies are not aware of any outstanding issues raised by the parties to this docket that remain in dispute. Given this consensus, and the extensive amount of comments that have been filed previously in this docket over the past two years, the Companies request that that Commission direct that any further comments on the Companies’ GSA Programs be filed within 30 days of these comments (on or before November 23, 2020). Thereafter, the Companies respectfully request the Commission issue an Order approving the GSA Programs on or before December 9, 2020.

CONCLUSION

WHEREFORE, based on the foregoing and the information presented in the Companies’ Application and Comments in this docket, Duke Energy Carolinas, LLC and Duke Energy Progress, LLC respectfully request that the Commission accept the Companies’ GSA Programs as

meeting the requirements of S.C. Code Ann. § 58-41-30 and approve the GSA Programs and GSA Program Tariffs as modified and presented through these Comments.

Respectfully submitted, this the 23rd day of October, 2020.



Rebecca Dulin
Duke Energy Corporation
1201 Main Street, Suite 1180
Columbia, South Carolina 29205
Telephone: 803.988.7130
E-mail: rebecca.dulin@duke-energy.com

Counsel for Duke Energy Carolinas, LLC and Duke Energy Progress, LLC